## Statement of comparative budget and actual information

| Description | 2009/10 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Original Budget | Budget Adjustment (i.t.o s28 and s31 of the MFMA) | Virement (i.t.o Council approved by -law) | Final budget | Actal outcome | Unauthorise expenditure | Varience | Actual outcome as % of Final Budget | Actual outcome as % of Original Budget |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Financial Performance** | | | | | | | | | |
| Property Rates | 20,153,495 | 20,153,495 | | 20,153,495 | 21,914,259 | | 1,760,764 | 109 | 109 |
| Service Charges | 12,945,622 | 12,946,054 | | 12,946,054 | 12,901,660 | | - 44,394 | 100 | 100 |
| Investment Income | 500,000 | 800,000 | | 800,000 | 860,987 | | 60,987 | 108 | 172 |
| Transfers recognised -Income | 37,096,447 | 38,681,447 | | 38,681,447 | 44,895,363 | | 6,213,916 | 116 | 121 |
| Other Own Income | 5,477,952 | 7,577,952 | | 7,577,952 | 5,964,586 | | - 1,613,366 | 79 | 109 |
| **Total Revenue (exluding capital transfers and contributions)** | **76,173,516** | **80,158,948** | - | **80,158,948** | **86,536,855** | - | **6,377,906** | **511** | **611** |
| Employee costs | 24,001,334 | 24,001,334 | | 24,001,334 | 25,188,505 | | 1,187,171 | 105 | 105 |
| Remuneration of councillors | 6,539,763 | 6,539,763 | | 6,539,763 | 6,214,068 | | - 325,696 | 95 | 95 |
| Debt impairment | - | - | | - | 31,795,601 | | 31,795,601 | - | - |
| Depreciation and asset impairment | 2,030,767 | 2,030,767 | | 2,030,767 | 3,777,756 | | 1,746,989 | 186 | 186 |
| Finance Charges | 676,332 | 576,332 | | 576,332 | 77,635 | | - 498,697 | 13 | 11 |
| Material and bulk purchases | 16,802,656 | 18,039,656 | | 18,039,656 | 18,081,002 | | 41,346 | 100 | 108 |
| Transfers and Grants | 8,497,500 | 8,114,385 | | 8,114,385 | 3,825,231 | | - 4,289,154 | 47 | 45 |
| Other Expenditure | 15,351,664 | 16,836,779 | | 16,836,779 | 11,720,375 | | - 5,116,404 | 70 | 76 |
| **Total Expenditure** | **73,900,016** | **76,139,016** | - | **76,139,016** | **100,680,173** | - | **24,541,157** | **616** | **626** |
| **Surplus /(Deficit)** | **2,273,500** | **4,019,932** | - | **4,019,932** | **- 14,143,318** | - | **- 18,163,251** | **- 106** | **- 16** |

ANNEXURE E(2)

## Reconciliation of budget surpus /( deficit) and the surplus/( deficit) in the statement of financial performance

| | |
|---|---|
| Net surplus/ (deficit) per the statement of finacial performance | 14,481,619 |
| Adjusted for: | |
| Fair value adjustment | |
| Impairement recognised/ reversed | |
| Surplus / deficit on the sale of assets | |
| Increases/ decreases in provisions | |
| Varience as per Annexure A | 15,248,051 |
| Net surplus / deficit as per Approved Budget | 766,432 |

| | | |
|---|---|---|
| (GNR.868 of 30 May 2005) regulation 8, the training of SCM officials involved in implementing a supply chain management policy should be in accordance with any Treasury guidelines on SCM training.<br><br>There was no evidence for the above training.<br><br>Recommendation<br><br>The SCM manager should ensure that SCM official training is in accordance with any Treasury guidelines and the evidence for the training should be provided for audit purposes. | | |
| Lack of formal training for all finance employees<br><br>Audit Finding<br><br>In terms of Para 83 (2) of the MFMA "A municipality must provide resources or opportunities for the training of officials to meet prescribed competency levels"<br><br>Recommendation<br><br>Management should seek to ensure that all staff in the finance department are adequately trained | Director: Corporate Services | Ongoing<br><br>30.06.2011 |

| | | |
|---|---|---|
| predetermined targets which is consistent with the approved integrated development plan.<br><br>Recommendation<br><br>The accounting officer should exercise oversight to ensure compliance | | |
| Non compliance with the DORA<br><br>Audit finding<br><br>According to correspondence from the National Treasury unspent conditional grants to the value of R120 000 was not approved for rollover<br><br>Recommendation<br><br>Management should ensure that requirements set out in the DORA regarding conditional grants are complied with to prevent withholding or reduction of grants | Chief Financial Officer | Implemented |

| | | |
|---|---|---|
| register must be performed on an annual basis to test for impairment. | | |
| Assets: Inappropriate impairment accounts in the general ledger<br><br>Audit finding<br><br>It was noted that the assets that were disposed of during the period were allocated to impairment accounts in the general ledger. This is not considered to be in line with GRAP.<br><br>Recommendation<br><br>The CFO must ensure compliance with GRAP laws and regulations | Chief Financial Officer | Implemented |
| Debtors accounting policy not aligned to MFMA legislation<br><br>Audit finding<br><br>On inspection of individual debtors it was noted that interest was not charged on long outstanding amounts. This was in compliance with the municipality's policy | Chief Financial Officer | Implemented by 30.03.2011 |

| | | |
|---|---|---|
| By inspection of Exco minutes dated the 09 July 2009 it was established that the Municipal Manager's performance contract for 2009/2010 was approved on the 09 July 2009 while the service delivery and budget implementation plan (SDBIP) was approved on 04 June 2009 and as such has not been made public within 14 days after the SDBIP approval.<br><br>Recommendation<br><br>The accounting officer must ensure compliance with that all laws and regulations set out in the MFMA | | |
| IDP not submitted to MEC<br><br>Audit Finding<br><br>No evidence could be provided that the municipal manager has submitted a copy of the IDP to the MEC for local government within 10 days of the adoption of the IDP.<br><br>Recommendation<br><br>Management should develop mechanisms' to monitor compliance with laws and regulations and these should be regularly reviewed by those charged with governance | Manager: Planning and Development | Implemented |

| | | |
|---|---|---|
| R200 000 were procured without inviting at least three written price quotations from the accredited prospective providers or providers that meet the listing criteria. No reasons were recorded on the payments vouchers nor were the deviation approved by the CFO or his delegate<br><br>Recommendation<br><br>(i)The SCM manager should perform regular reviews and monitoring of SCM processes to ensure that it is compliant with applicable SCM laws and regulations.<br><br>(ii) Management should review all payments made between R10 000 and R200 000 to identify similar instances which must be quantified and disclosed ,together with the above amounts, as irregular expenditure in the note to the financial statements. | | |
| Awards without proof of tax clearance<br><br>Audit finding<br><br>Quotations were accepted from providers who failed to provide proof from SARS that their tax matters are in | Chief Financial Officer | Implemented |

| | | |
|---|---|---|
| Recommendation<br><br>(i) The SCM manager should perform regular reviews and monitoring of SCM processes to ensure that it is compliant with applicable SCM laws and regulations.<br><br>(ii) Management should review all payments to identify similar instances which must be quantified and disclosed, together with the above amounts, as irregular expenditure in the note to the financial statements. | | |
| Deviations from competitive bidding process<br><br>Audit finding<br><br>In terms of SCM regulations 22(2), an SCM policy may allow the accounting officer to determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official process. | Chief Financial Officer | Implemented |

| | | |
|---|---|---|
| (ii) Management should review all payments to identify similar instances which must be quantified and disclosed, together with the above amounts, as irregular expenditure in the note to the financial statements. | | |
| Lack of supporting documentation<br><br>Audit finding<br><br>The following information has not been provided for audit purposes:<br><br>1. Supporting documentation relating to related party transactions<br>2. Schedule of commitments<br><br>Recommendation<br><br>The CFO should ensure that there are adequate controls over the safeguarding of supporting documentation and that information requested is presented timeously for audit purposes | Chief Financial Officer | Implemented |

## REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 1ST JULY, 2009 TO 30TH JUNE, 2010

We are pleased to present our report as follows:

### Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and meets, as a minimum, four times per annum as per its approved terms of reference.

| Name of Member | Number of Meetings Attended |
|---|---|
| Mr. J. R. Hunt (Chairperson) | 6 |
| Mr. B.M. Radebe | 6 |
| Adv. M.N.P. Mtshali (deceased) | 1 |
| Mr. Mike Press | 5 |
| Mrs N Mahomed | 5 |

### Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 166 of the Municipal Finance Management Act. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all it's responsibilities as contained therein.

In 2009 the Audit Charter has been expanded to include performance management. The Committee has been able to fully discharge this additional function as PMS training was undertaken during August, 2008 and further training provided in October, 2009. Additionally, the Municipalities reporting systems and procedures have been developed during the reporting period. The Committee has been able to receive and consider reports covering the four quarters of this reporting period.

### The effectiveness of internal control

The system of internal control is effective as per the report of the Internal Auditors, the Audit Report on the Annual Financial Statements; the matters of emphasis and management letter of the Auditor-General have not reported any significant or material non compliance with prescribed policies and procedures.

The issues and comments contained within the report have been noted and have been given the Committee's attention during the year. Once again, the Auditor General's report highlighted the unacceptable level of Debtors and the need to strengthen collection methods.

## The year to June 30th 2010

### (a) Debtors

The level of debtors, in particular overdue accounts for property rates and service charges, continued to be given the Committee's highest priority during this review period. At each meeting the committee carefully reviewed the financial reports to ascertain the success of the debt collection operations and to monitor the cash flow projections.

As in previous years we report that debtors have continued to increase. In this reporting period we record that every month, with the single exception of the last month, June,2010, debtors have increased. During the period debtors have increase by over R10 million and now stand at R66,546 million.

The ageing debt analysis at the 30th June,2010 shows that 98% of debtors are over 90 days in arrears and of that 84% (or R55,236 million) exceed one year.

This, in our view, is totally unacceptable.

Attention must also be drawn to the reported fact that in excess of R9,5 million (included in the above) are listed as Government Property Rates debts, and just under R4 million of that figure is over 12 months in arrears. Despite, as we are advised, that the responsible Departments have acknowledged these debts.

Based on the above comments, the Committee is of the view that a R30 million provision for bad debts may not be sufficient.

During the year the Municipality has been involving Ward Councillors in stressing the need for accounts to be paid and improving information on debtors. Additionally, in May, 2010 the Municipality wrote to all ratepayers advising them that, as an incentive, it was prepared to write off penalties and interest providing old and current accounts were paid in full. Rate payers were also advised to contact the Municipality should they be unable to pay their outstanding account so that instalment arrangements can be made or make an application for indigent status. This offer was for a limited period of 15th May, 2010 to 15th June, 2010 and may well have assisted the small reduction of debtors in 30th June, 2010 report.

Committees Unit. As in Chapter 2, it then includes performance highlights, performance against strategic objectives, outstanding matters and priorities for the upcoming year 2010/11.

Chapter 4

4.1 Finance Department: Consisting of the sections of Billing: Credit Control & debt collection: Payments & financing: Budgeting, Reporting and Compliance Monitoring.

4.2 Technical Services: Consisting of the divisions of Technical Administration & Projects: Roads, Storm Water Repairs & Maintenance: Solid Waste Management: Parks, Verges & Open Spaces Maintenance: Municipal Building Repairs & Maintenance: Electricity Distribution: Mechanical Plant, Vehicle Fleet & Workshop.

4.3 Community Services: Consisting of sections: Health Services: Library Services: Social Services: Community Development: Youth Component:

4.4 Community Safety Department: Consisting of sections: Traffic & technical: Licensing/learners: Fire/disaster Management: Security: Administration.

The reporting following the same structure as the previous Chapters

**General Comments:**

(a) The Committee was generally pleased with the reporting format.

(b) It continued to express its disappointment that performance assessments have not been able to be cascaded downwards from the Section 57 Officers. It was of the view that, in particular, all staff with supervisory responsibilities needed to be formally incorporated into the performance assessment process. It noted that staff training assessments and job description reviews where being undertaken.

(c) The Chairman had advised the Committee that he had participated in the assessment of Section 57 Officers for the year ending 30 June, 2009 which had been well conducted. He had suggested to the Chairman of the Assessment Panel that in future every effort should be made to conduct these assessments within the current financial year.

(d) While, as reported above, the Committee was generally satisfied with the reporting format it did make suggestions to the Executive for improvements.

Specifically, that when a performance standard or an IDP Objective could not be fully achieved, or only partially achieved, these should be carried forward as a measurable target. In addition, the Committee was of the view that items shown in the report as priorities for the IDP 2010/2011 needed to be worded in such a way that they also can be included as measurable targets and therefore reported on accordingly.

Comments on Departmental reports

- Income for this year was R300,000 less than 2008/09 and judging from the statistics where failed candidates exceed those passing by 500, there is a need to identify the reasons and what corrective steps that can be taken.
- One of the priorities identified for 2010/11 was the collection of fines to the value of R12 million. This seemed to the Committee as being a massive undertaking – judging from the Municipalities experience of trying to collect outstanding property & service charges – we would expect it to feature prominently in the quarterly targets and reviews.

**Public Participation.**

The Committee found that progress had been made in all areas but recognised that more attention is required particular due to the recent unrests and protest actions occurring within the Municipality.

**Service Providers.**

- It was noted that the waste services provider while performing its basic function (domestic waste removal) to the satisfaction of the Municipality was experiencing some difficulty with the removal of garden waste.
- The provision of a telephone monitoring service appears to be falling short of expectations, and it is hoped this will be addressed during 2010/11.
- It has been reported that the security service provider was facing challenges from time to time. The Committee was assured that these were being taken up with the provider.

**John R Hunt**
**Chairperson of the Audit Committee**

**Date 15th September, 2010**

Annexure A

25 August 2010

Dr. MB Ngubane
Municipal Manager
Mandeni Local Municipality
P. O. Box 144
**MANDENI**
4490

Dear Sir

**REVIEW OF COGTA DATASHEETS ON MUNICIPAL PERFORMANCE**

With reference to Circular 3/2010 from the Department of Co-operative Governance & Traditional Affairs (hereafter referred to as "COGTA") dated 28 July 2010, we have reviewed the COGTA Datasheets on municipal performance that were submitted to us. Our review was performed to obtain reasonable satisfaction that the information contained in the COGTA Datasheets is supported by appropriate documentation, as per the portfolio of evidence file. The attached report records the exceptions noted during our review.

**SCOPE**

The COGTA Datasheets covered the following performance areas:

| Strategic Objective | Measurable Objective/Output |
|---|---|
| Telecommunications | Communication Strategy |
| IT Systems | IT Strategy |
| Human Settlements | New houses constructed |
| Human Resources Management | Levels of black staff employed in management |
| Human Resources Management | Workplace skills plan |
| Human Resources Management | Budget spent on workplace skills plan |
| Performance Management Systems | Organisational Performance Management System(OPMS) |

Based on our review, except for the exceptions noted below, there were supporting documents/schedules for the strategic and measurable objectives listed above.

Our report has been prepared for your information as Municipal Manager, that of the Audit Committee and members of management. We do not accept responsibility to any other party to whom it may be shown, or who, on their own volition, may decide to rely on it.

We would like to express our appreciation to you and all the members of staff of the Municipality for your co-operation throughout our review. We would be pleased to provide you with further assistance and request that you do not hesitate to contact Desmond Msomi at our office with any query.

Yours faithfully

**Ngubane & Co. Inc**

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | s to basic standard of living and services | | | es by assessing library service needs and facilitate provision of library services through the Municipality according to standards | | | financial commitment of the proposed library | PLS | | relevant structure for the updated data base and 1 meeting to be held for the proposed new library | meeting was held with the General Manager for Public libraies for the establishment of Ndulinde library (donated tribal court) | nt structure for the updated database and 1 meeting to be held for the proposed new library | the supporting documents were forwarded to KZNPLS (council resolution) for the upgrade of Ndulinde Tribal court to be a public library | relevant structure for the updated data base and 1 meeting to be held for the proposed new library | ASSPC and the letter from Inkosi was sent to KZNPLS - Ndulinde library | relevant structure for the updated data base and 1 meeting to be held for the proposed new library | ASSPC, awaiting for KZNPLS funding commitment for the upgrade of Ndulinde library | | | al | | o | |
| | | | | To ensure the effective take over of Primary Health Care to the Province | | | | Nil | | 1 meeting to be held quarterly | No meeting took place in the first quarter | 1 meeting to be held | The Department of Health confirmed that the take over of PHC from the Municipality is suspended until further notice | 1 meeting to be held | Negotiations are still on but there are no specific time frames | 1 meeting to be held | No meeting took place | | The Department has indicated that the transfer of PHC services to the province is suspended | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | mme) | | | | ediate interventions on 18th June 2010 | | | | | | |
| Social and Local Economic Development | To establish economic growth and development all economic sectors with particular emphasis on tourism, manufacturing, agriculture and services | | | To get total grant amounts which is paid out within the Municipality | | | | Ni; | | 1 meeting to be held with SASSA and Social Development | 960 Child Support Grant; 840 Disability Grant; 90 Old Age Grant; 48 Foster Child Grant; 33 Care Dependency Grant; 05 Grant in Aid | 1 meeting to be held with SASSA and Social Development | 960 Child Support Grant; 840 Disability Grant; 90 Old Age Grant; 48 Foster Child Grant; 33 Care Dependency Grant; 05 Grant in Aid | 1 meeting to be held with SASSA and Social Development | 960 Child Support Grant; 840 Disability Grant; 90 Old Age Grant; 48 Foster Child Grant; 33 Care Dependency Grant; 05 Grant in Aid | 1 meeting to be held with SASSA and Social Development | meeting was held with DSD, SASSA to get total social grantsOAG 5690; DD 6134; War veteran 0; FCG 747; CDG 561; Maintenance 28; GIA 165; CSG 1923 | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | services as per mandate | | | Facilitate the establishment and functioning of community Health structures and continously providing feedback to the Mandeni Council on progress on delivery | | To have a clear database of caregivers within the area and functioning Clinic Advisory Committees | Nil | | 3 meetings to be held in July, August and September. | Meetings are held on weekly basis - District task team War on poverty programme | 3 meetings to be held in October, November and December | Meetings are held on weekly basis - District task team War on poverty programme | 3 meetings to be held in January, February and March | 2 meetings were held in March 2010 "WOPP" | 3 meetings to be held in April, May and June | 3 meetings were held in April, May and June 2010 | | | Community Services | | N G Mncwango / RLZ Mwandla / N N Msweli | |
| Good governance and Public Participation | To be transparent and democratic compliant | To empower youth in sports and recreation activities | Core | To coordinate and promote all sporting codes at a ward | Coordination of 13 sporting codes participating in | To get full participation of the whole community of | Coordination of ward base games as 13 sporting codes for | R 400 000.00 | 13005 | To prepare programme of action for the games | Wardbase games were held in July and Inter-wards games were | Actual games to take place on 11th to 14th December | Actuual games took place on 11th to 14th December | Post mortem meeting | Ward-base games are to be held in May 2010 | Preparation of programme of action to be submitte | Ward base games were held in May 2010 and | | | Community Services | Community Development / Youth Unit | N N Msweli / M F Shandu | |

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | | | | t | | | | | | | | | | |
| | | To empower and develop youth in all sectors | Core | | | To empower youth | To have one career exhibition, business compliance and youth festival annually | R 300 000 | | Submission of programme of action to relevant structure for prioritisation | Outreach programmes are held on monthly basis and ward base youth committee were established | Staging of the Youth Summit | Working document for Youth Summit was finalized;Film festival was held in September 2009 and 4 days Basic business management skills training was conducted by Seda in November 2009 | | Business compliance workshop was held on 09 March 2010 | Youth summit to be held in June 2010 | Youth summit was successful held on 09th to 10th June 2010 in Richards bay and outreach programme were conducted to neighbouring schools | | | Community Services | Youth Unit | NG Mncwango / M F Shandu | Whole area of Mandeni |
| | | To coordinate special programmes to be in | Non-core | | | | | R 250 000 | | Submission of programme of action to relev | Activities of women's month was held monthly | Recognition of widowed / needy people ( Speci | 5 needy families per ward were given food parcel | Formalisation of Special programmes | On 30 March 2010 the Special Programs Counci | Children protection awareness week | Child protection week was held in May and | | | Community Services | Social services | NG Mncwango / RLZ Mwandla | Whole area of Mandeni |

# MANDENI MUNICIPALITY
## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2010

## 1 BASIS OF ACCOUNTING

### 1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003), and the following Notices:

* *General Notice , issued in Government Gazette no. 28095 of December 2005;*
* *General Notice, issued in Government Gazette no. 30013 of June 2007; and*
* *General Notice, issued in Government Gazette no. 31021 of 9 May 2008.*

The Municipality has elected to implement the Transitional provisions outlined in Directive 4, dated February 2008, from the Accounting Standards Board.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

### 1.2 PRESENTATION CURRENTY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

### 1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

### 1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements and forms part of the audited annual financial

Complience with this standard would have an effect on the financial information on entity's interest on other business ventures. However the entity does not have any joint venture.

GRAP 18 Segment Reporting - issued March 2005

Compliance with this standard would have had an effect on the presentation only. Financial information would have been rported by segments. The disclosure of this information will assist users of the financial statements to better understand the entity's past performance and to identify resources allocated to support the major activities of the entity.

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

Non-exchange tranactions in which the enity receives services without directly giving approximately equal value in exchange, has not been accounted for as revenue. These transactions are minimal and are considered immaterial.

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

Complience with this standard would have had an effect on the presentation only. Yhe budget information is currently disclosed in the appendices.

GRAP 103 Heritage Assets - issued July 2008

Complience with this standard will not have an impacy on the current financial information as the recognition and measurement requirements of the standard have not been adopted

The following standards, amendments to standards and interpretations have been issued but are not yet effective and have not been early adopted by the municipality:

IAS 19 Employee Benefits - effective 1 January 2009
IFRIC 17 Distribution of Non-cash Assets to Owners - effective 1 July 2009

## 2 PROPERTY, PLANT AND EQUIPMENT

### 2.1 INITIAL RECOGNITION